

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE		PAGE OF PAGES 1 11	
2. AMENDMENT/MODIFICATION NO. 0001		3. EFFECTIVE DATE 3/29/00		4. REQUISITION/PURCHASE REQ. NO.	
5. PROJECT NO. (If applicable)					
6. ISSUED BY DEFENSE FINANCE AND ACCOUNTING SERVICE ACQUISITION SUPPORT ORGANIZATION-DFAS-ASO/DPA 1931 JEFFERSON DAVIS HIGHWAY ARLINGTON, VA 22240-5291 ATTN: GRACE ARIAS (703) 602-9226 FAX (703) 602-8773		CODE MDA220		7. ADMINISTERED BY (If other than Item 6) SAME AS BLK #6	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State, and ZIP Code)		(✓) X		9A. AMENDMENT OF SOLICITATION NO. MDA220-01-R-0001	
CODE		FACILITY CODE		9B. DATED (SEE ITEM 11) 1/24/01	
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS		10A. MODIFICATION OF CONTRACT/ORDER NO.		10B. DATED (SEE ITEM 13)	
<p><input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <u>X</u> is extended, ___ is not extended to May 15, 2001, 3:00 PM EST</p> <p>Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:</p> <p>(a) By completing Items 8 and 15, and returning <u>1</u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; of (c) By separate letter of telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.</p>					
12. ACCOUNTING AND APPROPRIATION DATA (If required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.					
<p>(✓) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.</p> <p>B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)</p> <p>C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:</p> <p>D. OTHER (Specify type of modification and authority)</p>					
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return <u>2</u> copies to the issuing office.					
14. DECRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)					
SEE PAGE 2.					
<p>Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.</p>					
15A. NAME AND TITLE OF SIGNER (Type of print)			16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or Print)		
15B. CONTRACT/OFFEROR			16B. UNITED STATES OF AMERICA		
15C. DATE SIGNED			16C. DATE SIGNED		
(Signature of person authorized to sign)			(Signature of Contracting Officer)		

The purpose of this amendment is to extend the solicitation due date to May 15, 2001, provide additional information, make changes/corrections to the solicitation documents/attachments and respond to vendor questions resulting from the 2/9/01 Preproposal Conference.

Additional Information:

The signed MOU between DISA and DFAS, as well as the MOU between Army and DFAS have been posted to the web site for informational purposes. DOL Wage Determination for Denver 94-2082 Rev (10) job category definitions are posted to the web site.

Changes/Corrections:

Corrections/changes have been made to the following documents and replacement documents have been provided as listed below.

RFP Section B - Pricing Schedule

- RFP Section B - H
- RFP Sections I - J
- RFP Sections L - M
- J1 - PRS
- J2 - Definitions
- J4 - GFP and Services
- J5 - Interface Requirements
- J6 - Workload Estimates
- J7 - System Description
- J9 - Contract Data Requirements List
- J10 - Output Reports

1. SubCLINs for reimbursable travel costs were added to Section B pricing tables. Page B-11 is replaced. Paragraph B.1(ii) 2nd paragraph was revised.
2. Section G - G.1 Submission of invoices (cost-reimbursement, time-and-materials, labor hour, or fixed price incentive), DFAS (JUL 1992) and G.8 - Submission of invoices (cost-reimbursement, time-and-materials, labor hour, or fixed price incentive), DFAS (JUL 1992) were added.
3. Section I – 52.207-2 Notice of Cost Comparison was added.
4. Section J – Attachments J-1, J-2, J-4, J-5, J-6, J-7, J-9, J-10 have been replaced in their entirety.
5. Section M – In M.3 (b) add the statement at the end of the paragraph that - The Government will use the win.COMPARE² cost model to develop the Government cost proposal.

Responses to Vendor Questions:

Responses to vendor questions resulting from the 2//9/01 Pre-proposal Conference are provided on the last nine pages of this amendment.

DFAS Security Assistance Accounting RFP Questions

Contro l #	Questions	Answers
1.	Are bills and/or collections completed in foreign currency or US dollars and if Foreign does the system fully support all requirements?	All transactions are handled with U.S. currency.
2.	B... Levels I, II, III for rate per case, are these rates additive, i.e. if for a given month there are 18,500 cases, the first 16,000 would be charged at the Level I rate, the next 2,000 at the Level II rate and the final 500 at the Level III rate?	No, these prices are not additive and they are the price for that level of workload – not per case. It represents the total price for operating at that level.
3.	C-1.5... What are the options a contractor might choose with regard to all the document files associated with the SAA program, e.g. can closed cases be left with DFAS and just open cases be moved to a new facility? Must document files be stored in a fireproof vault?	To the extent that files are not archived or sent to storage at government facilities, responsibility for documentation associated with closed case remains with the contractor. How the contractor proposes to use offered Government facilities or commercial facilities would be part of the proposal.
4.	C.5.1.6 ... Last bullet with regard to providing users with data retrieval support.... Does “users” include any non-contractor staff?	Yes. Users include DFAS business partners and customers such as DSCA, the MILDEPS, and audit agency entities based on requests for this support.
5.	C.3.1... For the ELAN and other related phone systems, etc. will the government provide upgrades to this technology as required to support future operations?	Yes.
6.	If we choose to continue using DIFS and related software, will the government provide upgrades to this technology and contractor identified enhancements to support future operations?	The contractor must pay for any enhancements they propose to DIFS required for continuing operations. The Government reserves the right to replace DIFS at no additional cost to the contractor and would work closely with the contractor to ensure a

		successful transition of the systems.
7.	C.3.1... Will the contractor be charged for use of the ELAN, the phone system, local and long distance phone service, etc. and if so, what amount will be added to a bidder's price for evaluation purposes.	Section J.4. indicates that Government furnished services are provided without cost. See Section M.8 for price evaluation of Government Furnished facilities.
8.	C.3.1... What amount will be added to a bidder's price for use of Government Furnished Facilities, including document storage?	See the response to #7 above.
9.	Please describe the role of the staff located on site at the various military facilities other than Denver.	Functions performed at cites other than Denver are shown in our reference library exhibit Business Processes Performed by SA Employees on CD 1 of 2 in the Technical Library. However, this depiction was completed prior to some of these functions being taken out of scope.
10.	Can you please provide a further breakdown of the Manning Information table to provide staff by function?	The Manning Information table provided meets the DFAS policy for breaking out this type data.
11.	M.4 Part II ... States that some staff will remain with the government until transition is complete. Can you please explain who this staff will be?	This addresses those government employees that are involved in transitioning the work to a commercial contractor should that contractor win the bid.
12.	Some of the documentation provided with the RFP indicates that it was prepared by KPMG; can you please explain what role KPMG may have played on preparation of RFP material?	We included in the technical library recent products produced by contractors under task orders from both DFAS and the Military Departments to study security assistance work related processes to try to ensure that all bidders would have access to this information. KPMG had no role in preparing RFP material.
13.	Will KPMG be precluded from bidding due to their participation in preparation of RFP material?	Please refer to the response in #12.
14.	C.3.1.2... For bidders proposing to continue to utilize DIFS, will the contractor be charged for all associated costs, i.e. production control, software maintenance,	The costs that bidders must include for DIFS related costs are specified in section C-3.1.2, C-5.1.6., various sections of C-6, and exhibit J.7.

	computer operations, etc. and if so what amount will be added to a bidder's price in the evaluation?	
15.	C.5.1.6.. What options does the contractor have in dealing with internal DFAS staff performance of DIFS operation and maintenance?	It is not intended that the contractor should be punished for poor performance when it can be shown that the reason for the performance deviance was caused by the Government. The contractor has the opportunity to list issues that are beyond its control in the Quality Assurance Plan. Operating concerns about poor Government performance should be addressed to the COR.
16.	J1 ... How will DFAS staff performance with regard to operation and maintenance of DIFS be considered in the performance measures? For example if Production Control executes a report incorrectly, how will that be reflected in the contractor's performance?	Please refer to the response to #15 above.
17.	J1... Can DFAS provide the current average volumes for Column (c) and current performance ratings, Column (d)?	These performance standards were formulated for this A-76 Study. They are not currently measured.
18.	J10 ... Are all reports generated by DIFS or related systems? If not, which reports are produced manually and what is the source of information?	PWS exhibit J.10 lists details associated with the required reports indicating PCN for system produced, retrieval for system query generation, etc. Additionally, the directive column lists references to originating authorities.
19.	Can you provide any metrics on the average amount of time/effort it takes to complete each major function?	No. The CART team did not gather information on the timing of individual processes or the time it takes to perform individual steps in the process.
20.	FY01 Budget ... Can you provide a break down of the Overhead costs?	No. This information was not gathered by the CART Team
21.	FY01 Budget.... What does CDA mean?	Central Design Activity (CDA)
22.	FY01 Budget ... Are there any expenses that will be eliminated by transferring to a contractor?	Not all budgeted costs are considered in scope to the A-76.
23.	Are there any other GAO, other audit or consulting reviews that have been	No. These are government need to know releases.

	done that can be provided to bidders?	
24.	Are there any restrictions on relocation of the center or the associated files?	None we are aware of.
25.	If a contractor continues to utilize the DIFS, what responsibility/liability is assumed for program bugs both past and present?	The contractor would assume managerial responsibility and oversight for DIFS operations. If bugs were discovered they would need to be corrected through the system change process. Actual changes to software would be accomplished by DFAS-TDA/DE.
26.	Are there any contractor staff involved in the operations support and maintenance of DIFS, if so can you identify who it is and their responsibilities and how they will be affected by this contract?	There is contractor staff supporting DIFS at Oklahoma City and they are involved in computer operations support for the DIFS operating platform. However, DISA operations relating to DIFS are not in the scope of this A-76. These costs are paid separately by DSCA.
27.	C.5.1.1 .. Will the key individuals who currently translate FAMFIA policy be identified and transferable to a new contractor?	The acronym is FMFIA (Federal Managers' Financial Integrity Act). All current SAA personnel within the scope of this A-76 could be offered a job with the contractor.
28.	C.5.1.1 .. Will the new contractor be provided an up to date policy at transition that accurately reflects FAMFIA?	The FMFIA current requirements are outlined in the PWS. Details are provided in the technical library.
29.	C.5.1.2 .. Does the system include an automated allocation module and what functions require manual calculation?	DIFS functionality is a mix of system processing and does require some manual calculations depending on the task.
30.	C.5.1.2 .. Are all interfaces automated, including the GL?	DIFS interfaces are covered in PWS exhibit J.5 and additional details are included in the technical library.
31.	Does the DIFS provide automated variance identification and analysis?	Yes. Some major variance reporting tools are identified in the PWS J.10 exhibit for required reports.
32.	Are all reconciliation's complete and up to date and are they auditable?	PWS exhibit J.6.3 identifies existing backlogs including some reconciliation workloads.
33.	Reference is made to "external customers" does this mean countries who acquire military security assistance, please explain.	Since there was no specific PWS reference provided, we assume the context in which external customer was used referred to those outside DFAS e.g., military departments, audit

		agencies, etc.
34.	How many customer programs are there and is the consolidation of these programs automated?	Describing our customers often depends on the context. Within DIFS, there are approximately 192 customer programs including both country and international organization programs. DIFS is dependent on automated transactions coming in from various feeder systems. DIFS is also able to consolidate the financial position of the FMS Trust Fund.
35.	What penalties exist if adequate cash isn't available to meet demands?	Countries that do not make cash deposits in a timely manner are subject to interest penalties (see Volume 15, Chapter 3, paragraph 030205.B.in the technical library).
36.	How many billing statements require manual preparation and what is the source of data?	PWS exhibit J.6.2 (PWS Paragraph Reference C-5.1.3) provides data on standard and non-standard billing statements.
37.	Can the disbursing officer utilize an electronic or a scanned image for approval?	Yes. However, specific Disbursing Officer responsibilities are outside the scope of this A-76 study.
38.	C.5.1.5 .. How many visits to customers and customers to the center are made each year and will government personnel participate in all meetings?	Estimated travel requirements are provided in PWS exhibit J.6.4.
39.	C.5.1.6 .. Is any of the DIFS components licensed software and if so which components and what are the software packages?	DIFS is government developed and owned. No software licenses apply.
40.	C.5.1.6 .. How many compliance specialists are dedicated to the system change process today?	The number of personnel performing these tasks was not gathered as a part of the PWS effort.
41.	Will the contractor have fiduciary responsibility over government funds including the authority/responsibility for transferring funds, if so please explain circumstances?	Yes. For example, receiving, recording, and transmitting for deposit foreign customer payments submitted against quarterly billing statements.
42.	Will the contractor be expected to make decisions with regard to proper GL account classification and/or creation of journal entries, if so please explain circumstances?	Yes. The contractor will be generally responsible for managing all aspects of security assistance accounting.
43.	Section J5 states that the contractor must provide interfaces to all listed	The requirement outlined in the PWS states "the contractor will interface

	systems. Does this mean “access” or will we be required to provide/develop any software interfaces?	and access systems” not provide or develop these interfaces. The reference to supporting these interfaces refers to working with the entities that are responsible for the interfaces as in the case of the Military Departments.
44.	Does the FY01 budget document include all field offices and staff?	Yes, but not all activities at field offices or budgeted costs are considered in scope to the A-76.
45.	Referring to the document entitled <u>Performance Contract Between Defense Management Council and Defense Finance and Accounting Service FY 2001-2005, Part II, Business Area Performance Standards</u> : What do the rates per hour, unit costs, etc. listed under deliverables represent? How do these rates and costs relate to or reconcile with the “per lot” unit prices that we are to propose?	The Performance Contract Between Defense Management Council and Defense Finance and Accounting Service FY2001-2005, Part II, Business Area Performance Standards is not intended to replace the Performance Requirements Summary (J.1) of the subject solicitation. The intention of our reference to the Performance Contract (Parts I and II) is to communicate the overarching goals of the DFAS Agency for major Business Areas. The rates per hour and unit costs referenced under Part II, Business Area 3, are specific to Accounting Services for Direct Billable Hours (DFAS Output 11 which is out of scope to this A-76). Relative to Security Assistance Accounting (DFAS Output 14), the contractor should propose a pricing strategy that assures successful performance in accordance with the PRS (J.1).
46.	Referring to the A-76 IRO handbook, Page 12, 4 Review Stages, Line 1 Personnel Costs, Item (4): Required the use of an assumed Step 5 for all GS employees: What is the actual step level for each GS grade in the SAA group? (The FTE file on the CD-ROM shows <u>grade</u> for each position, but not the current <u>step</u> information.)	According to the DFAS Competitive Sourcing Guide dated November 3, 2000, Version 1.2, Section 8, page 84: “a. Staffing data will be provided to include numbers, series and grades within the organization. Grades may be grouped within a range.” The Manning table provided meets the DFAS policy for breaking out this type data.
47.	Assuming that the winning contractor uses all existing software and hardware systems that are currently available, what systems operating, maintenance, upgrading	If DIFS is utilized, systems operating and maintenance activities would be GFE. Enhancements to DIFS must be paid for by the contractor.

	and/or other functions, if any, will the contractor still have to provide?	
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Control #	PWS Reference	QUESTION	RESPONSE
48		With the requirement to bid in terms of FMS cases how is the contractor to present bid information for the Security Assistance workload that is not related to the Foreign Military Sales Program (i.e. DSCA Accounting, Credit Loans and Grants, etc)?	The cost requirements of all in scope work should be considered in the bid.
49	Section B-CLIN 0012	Is Lot VIII subject to cost comparison?	Yes.
50	C-5.1	The last two sentences state that the PWS requirements are merely illustrative and non-inclusive and the contractor shall perform all functions and deliver all service whether or not specifically identified in the PWS. This statement is not consistent with a firm fixed price contract but more akin to level of effort contract. How is the contractor to bid a firm fixed amount when all requirements and workload is not delineated?	We believe the full workload requirement have been delineated. The MEO is already familiar with these workload requirements. This contract is firm fixed price.
51	C-1.6	Since travel is reimbursable is a bidder required to include or exclude travel estimates the lot pricing in Section B?	Lot pricing in section B does not include the reimbursable travel requirements. Separate CLINs will be established as placeholders for the funding of travel.

No.	PWS Ref.	Question	Answer/Comment
52	C-5.1.2.1	Please describe in detail all "other financial transactions" referenced.	The term "other financial transactions" was meant to address those transactions not directly related to cash. For example, appropriation transfers, reject/corrective data input, etc.
53	C-5.1.2.1	Please provide detailed information on what is meant by "Providing financial support for case management." What types of financial support are required? Please describe in	To provide a clear definition of financial support for case management it is important to understand the concept of a case versus a program. A case is defined as a contractual sales agreement between the U.S. and an eligible foreign country or international organization . The term

		<p>detail case management and all current processes.</p>	<p>“program” is used in reference to all the “cases” which comprise the security assistance work for a particular foreign country. There can be one or many cases comprising a foreign government’s program.</p> <p>Therefore, support in this context is meant to address the activities performed to properly account for the financial information relative to the contractual agreements entered into between a foreign government and the U.S. as reflected at individual case and overall program level.</p> <p>Based on the above definition the details required to manage a case and the current processes are outlined collectively in the PWS and further defined in the technical library.</p>
54	C-5-1-2-2	<p>Please describe in detail all “other financial transactions” referenced.</p>	<p>See answer to question #1.</p>

